

**Opening Statement of Chairman Fred Upton
Subcommittee on Energy and Power
“Federal Power Act: Historical Perspectives”
September 7, 2016**

(As Prepared for Delivery)

Today marks the first time since I became chairman of the full committee, that my friend Ed Whitfield is not the chair of the Energy and Power Subcommittee. For 119 hearings over the last six years, Ed has held the gavel. A workhorse for sure. Today we say thank you. He's been a trusted, respected, and valued voice and a terrific friend. He's a gentleman through and through. With Mr. Whitfield's departure, Mr. Olson as Vice Chair will carry out the duties for the subcommittee and we appreciate him stepping in.

Today's hearing lays the foundation for a new effort to take a more comprehensive look at recent developments in the way we generate, transmit, and consume electricity in the United States, and how that system has evolved under the Federal Power Act. This effort began with a letter I sent, along with Mr. Whitfield, to FERC Chair Norman Bay, outlining several current and evolving issues that the committee will begin to explore more thoroughly next year. These issues include newly blurring lines between historic federal and state jurisdictional divides, how regulated and competitive markets continue to fare under both FERC's and the states oversight, how reliability and security of the grid, innovation and distributed energy resources are prioritized in the current system, and how other external factors, such as tax policy and renewable mandates factor in to the functioning of competitive markets.

But before we do that, we need to take a look back in order to better understand how we got here. Electricity is critical to all of our daily lives, here, in Michigan, and across the country - something often taken for granted until the power goes out. It is also a lifeline to our national security, our economic interests and our basic health and welfare. Both the committee and FERC have the important responsibility of ensuring that electricity markets function in a reliable and efficient manner. We have an outstanding and distinguished panel here today to help us learn from the tough decisions that each of them had to make in the past, in order to help build a successful grid for the future.

As you know, this committee has a longstanding history of legislating on these issues, a history that spans numerous congresses and decades. In fact, Part II of Federal Power Act, passed in 1935, originated in this very committee under then Chairman Sam Rayburn. Those amendments granted the Federal Power Commission, the predecessor to FERC, its jurisdiction over wholesale electricity transactions. In the intervening years, Congress has acted through its oversight role and on legislation to ensure that wholesale electricity rates continue to result in "just and reasonable" rates. This hearing continues that long tradition of oversight.

I am glad to say we have worked to conduct this hearing together in a bipartisan manner. Electricity plays a crucial role in all of our everyday lives, and disruptions in supply create far-reaching implications. Today, power generated by windmills in Kansas will energize lights and toasters from Georgia to Michigan. And natural gas and coal plants in Kentucky will likewise power smart phones and electric cars from Iowa to Washington, DC. Nuclear plants, an unknown technology in 1935, continue to provide a baseload supply of energy that Americans across the country can rely on for reliable and carbon-free energy. Modern electricity markets are unprecedented in scope and scale, allowing us to send electrical energy across the nation both quickly and efficiently.

The evolving questions facing us going forward on developments and changes in the electricity system will be difficult. When faced with difficult questions, it's often essential to understand how we faced – and resolved – similar issues in the past. That's really the purpose of our hearing.

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